

RCW 46.96.095 Compensation by manufacturer for labor and parts required to perform recall repairs—Applicability to certain used vehicles—Reimbursement claims—Recovery of costs—Remedy, exclusive.

(1) A manufacturer shall compensate its new motor vehicle dealers for all labor and parts required by the manufacturer to perform recall repairs at rates no lower than those set in accordance with RCW 46.96.105. If parts or a remedy are not reasonably available to perform a recall service or repair on a used vehicle held for sale by a dealer authorized to sell new vehicles of the same line make within fifteen days of the manufacturer issuing the initial notice of recall, and the manufacturer has issued a stop-sale, do-not-drive order, or the manufacturer has not certified that the issue identified in the notice of recall does not affect the safe operation of the vehicle, commencing on the fifteenth day after the notice or order was issued and ending on the earlier of the date that the remedy or repair parts necessary to resolve the recall, stop-sale, or do-not-drive order are available to the dealer for vehicles in the dealer's inventory or the dealer sells, trades, or otherwise disposes of the vehicle, the manufacturer shall compensate the dealer at a prorated rate of at least 1.75 percent of the average trade-in value as indicated in an independent third-party guide for the year, make, model, and mileage of the recalled vehicle, per month, or portion of a month, while the recall or remedy parts are unavailable and the order remains in effect. A manufacturer is not required to compensate a motor vehicle dealer for more than the total trade-in value of the vehicle as established under this section. A manufacturer is not required to compensate a motor vehicle dealer for vehicles purchased by the dealer at a wholesale auction after the date the order was issued. A stop-sale or do-not-drive order is defined as a notification issued by a vehicle manufacturer to its franchised dealers stating that certain used vehicles in inventory should not be sold or leased, at retail or wholesale, due to a federal safety recall for a defect or a noncompliance, or a federal or California emissions recall.

(2) This section applies only to used vehicles subject to safety or emissions recalls pursuant to and recalled in accordance with federal law and regulations adopted thereunder and where a stop-sale, do-not-drive order has been issued, or the manufacturer has not certified that the issue identified in the notice of recall does not affect the safe operation of the vehicle. This section further applies only to new motor vehicle dealers holding used vehicles for sale that are a line make that the dealer is franchised to sell or on which the dealer is authorized to perform recall repairs.

(3) All reimbursement claims made by new motor vehicle dealers pursuant to this section for recall remedies or repairs, or for compensation where no part or repair is reasonably available and the vehicle is subject to a stop-sale, do-not-drive, or the manufacturer has not certified that the issue identified in the notice of recall does not affect the safe operation of the vehicle, is subject to the same limitations and requirements as a warranty reimbursement claim made under RCW 46.96.105. Claims shall be either approved or disapproved within thirty days after they are submitted to the manufacturer in the manner and on the forms the manufacturer reasonably prescribes. A manufacturer shall pay a claim within thirty days following approval. Any claim not specifically disapproved in writing within thirty days following receipt is approved.

(4) A manufacturer may compensate its franchised dealers under a national recall compensation program provided the compensation under the program is equal to or greater than that provided in subsection (1) of this section.

(5) A manufacturer may not otherwise recover all or any portion of its costs for compensating its dealers licensed in this state for recalled vehicles, parts, and service either by reduction in the amount due to the dealer or by separate charge, surcharge, or other imposition.

(6) Any remedy provided to a new motor vehicle dealer under this section is exclusive and may not be combined with any other state or federal recall compensation remedy. [2018 c 296 s 1.]